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# X U.S. FOOD EXHIBITIONS AROUND THE WORLD

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# "U.S. FOOD EXHIBITIONS AROUND THE WORLD"

## AN INVITATION

I am pleased to invite U.S. food concerns to join the U.S. Department of Agriculture and the U.S. food industry in the most extensive program of food export promotion yet undertaken by this nation.

The stage is well set for this effort.

The countries with which we seek to trade are prosperous, their consumer income is high, and they are getting acquainted with and welcome American foods. The series of international food shows, in which we are centering our campaign, offers golden opportunity to initiate sales or expand sales of your food products abroad.

Exhibitions have been scheduled in Europe and the Far East where U.S. food processors and distributors and their overseas representatives can display and promote their products to the interested overseas trade.

The overall program has been designed to serve and accommodate the needs of U.S. producers, and for reasons outlined in greater detail in this booklet, to achieve a number of important and far-reaching objectives for our nation.

I cordially invite the food dealers of the United States to join with us to make this an outstandingly successful venture.



Orville L. Freeman  
Secretary of Agriculture

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## THE OPPORTUNITY

This booklet is intended for U.S. food processors and other U.S. businessmen who want to sell U.S. processed food products abroad. It describes a program of government and industry cooperation that has for ten years been successful in helping the U.S. food industry sell its products in lucrative overseas markets.

In helping U.S. food companies establish foundations for marketing in selected foreign nations, the U.S. Department of Agriculture provides the following at little or no cost:

- Attractive display space
- Facilities for product demonstrations and sampling
- Private areas for meetings and entertaining prospective foreign agents and customers
- Marketing information and guidance in selling in specific foreign nations
- Publicity services to generate attendance at food shows
- Promotional campaigns directed toward winning consumers for U.S. products
- Year-round trade center facilities in three key markets

Food distribution patterns in many nations closely follow the channels established in the United States. Familiar elements of the U.S. food distribution system, such as self-service stores, supermarkets, chains, and retail cooperatives, are in various evolutionary stages in the different foreign nations. Although one business reporter noted that food distribution in Japan is similar to that of the United States 30 years ago, improvements are coming rapidly.

Almost everywhere, the food world is changing. Less than 20 years ago self-service stores were introduced into the Netherlands. Today they account for 30 percent of retail sales. Frozen food items, relative newcomers to the United Kingdom, are today staples. In fact, U.K. consumers are now the world's biggest users of frozen foods except for consumers in the United States.

Within the program covered in the booklet, the Department believes there is an important sales opportunity for most U.S. food manufacturers and distributors and extends them an invitation to avail themselves of the many services provided.

## GETTING THE PROGRAM UNDERWAY

With the passage of the Agricultural Trade Development and Assistance Act of 1954, it became national policy that food the nation did not need at home should be used "to expand international trade . . ." and "develop new markets for U.S. agricultural commodities on a mutually benefitting basis."

Today one quarter of all U.S. exports begin their foreign journey on a farm. In terms of dollars this is more than \$6 billion annually, double what it was when the law was passed.

In employment, it means a million farm jobs today and hundreds of thousands of others in shipping, processing, and marketing agricultural products for overseas shipment. Overall, it means activity and vigor for U.S. industry and important help in curing our nation's gold imbalance.



## **RESULTS OF THE PROGRAM SINCE 1955**

In the decade since the International Trade Fair program got underway in 1955, U.S. commercial exports of farm products have increased \$2.3 billion.

This outstanding sales record is one result of the continuous and aggressive marketing efforts on the part of the U.S. commercial concerns and various governmental agencies, often working as a team.

More than 170 exhibits have been presented in international trade fairs and trade centers of 35 nations. Well over 50 million people have visited these U.S. exhibits, and in many instances, met with U.S. processors or their representatives, and been exposed to the high quality and variety of U.S. processed foods.

In Amsterdam in 1963, the Department sponsored a massive 165,000-square-foot exhibit—actually the size of four football fields—with the objective of building sales throughout all of Western Europe. The response was almost immediate. In addition to the 125,000 people from 15 nations who attended, foreign radio and television stations and representatives of the international areas covered the exhibit in depth, reflecting favorably on U.S. foods and trade possibilities. It was in Amsterdam that many Europeans first sampled such typically U.S. processed foods as cake mixes, frozen ready-to-eat pastry, maple syrup, citrus products, doughnuts, and U.S. ice cream that were provided by 120 U.S. companies and their European agents.

The sales impact of the Department's international trade exhibition program was dramatically demonstrated in Tokyo in 1964. In one of its most

successful projects, the Department displayed processed poultry products of some 22 U.S. companies. Ten thousand hand-picked Japanese importers, distributors, retailers, and institutional buyers were invited to attend the exhibition. The results: "U.S. poultry exports to Japan increased 1400 percent in the eight months following the exhibit; up from 966,000 pounds to 13,246,000 pounds."

This sort of enthusiasm has been extended to a wide variety of U.S. food products. Since the program began, the United States has become one of the world's biggest exporters of rice and rice products. During the same period, the nation also has made significant increases in the export of canned fruits, variety meats, and other processed food items.

## **HOW INDUSTRY AND GOVERNMENT COOPERATE OVERSEAS**

Business and government have a long record of working together to achieve common objectives. Since 1955, teamwork between the U.S. Department of Agriculture and the U.S. food industry unquestionably has been successful in increasing export levels and in vastly improving techniques for insuring the success of food exhibitions in overseas trade fairs and trade centers.

The Department works with leading U.S. food industry groups, extending invitations to their member-food companies to participate in foreign exhibitions: to display, to demonstrate, to establish overseas agencies and distributorships, and finally to make actual sales abroad.



But before these climactic events take place, a great deal of “spade work” has to be done. Often working two years in advance of the actual exhibition date, the Department begins by considering locations recommended by its agricultural attaches based overseas, U.S. and foreign food trade associations, foreign governments, U.S. food companies, or its own staff.

Initial recommendations generally are followed by a detailed study of market potential, local situations, channels of distribution, competition, and other factors affecting trade in the market suggested. If the necessary facts and information are not available within the Department or other U.S. or foreign governmental agency, then a study is undertaken to develop primary data.

When a location has been studied in depth and still offers solid opportunities for market development, an exploratory trip is taken and a location and date set for an exhibition.

Once time and place are established, the concentration of time, money, and effort is directed toward assuring the successful introduction or expansion of U.S. processed food items. Generally speaking, the Department tries to engender export-mindedness among U.S. food companies. Then it aims at creating a near-perfect sales environment for U.S. companies which participate.

In the Cologne exhibition of 1965, for example, the first “trade only” area was set aside to provide an atmosphere conducive to exchanging ideas on export possibilities. Eminently successful, “trade only”

sections are being used in other fairs.

In recent years, the Department has been increasing its follow-through activities. Not satisfied with the solid impact of U.S. processed foods made during actual fair exhibitions, the Department has perfected several new devices for extending, on a year-round basis, the good will created at the time of the fair. Among these techniques are the use of permanent trade centers, in-store promotions, point-of-sale merchandising, and other devices described later in the booklet.



## U.S. FOOD COMPANIES' STAKE IN WIDENING WORLD MARKET

Among the world's great nations, the United States has best solved the problems of feeding people; consequently, the world looks to us for guidance in farming, processing, distributing, and for our high quality food products as well.

The productivity of our farms and processing plants appears to be almost limitless. Successful U.S. farmers are as familiar with irrigation, soil fertility, automation, and scientific husbandry, cultivation, and harvesting as they are with the changing seasons. On our farms five million tractors do the heavy work. As a result, the output of each U.S. farmer doubles every ten years. Today a single U.S. farmer feeds 33 people; in 1900 he could serve only seven. Per acre yield, also expanding consistently, has doubled in a generation for such staple products as corn and cotton.

While the rest of the world strives to balance needs with capability, the nations of Europe, Africa, and Asia provide ready markets for U.S. processed food products. The ability of foreign nations to buy from us with dollars is increasing. Besides our perennial need for raw materials, the United States is buying all sorts of goods abroad and especially more of the things we traditionally export, like automobiles, typewriters, apparel, and interestingly, food products. Also adding to foreign pocketbooks is the "invisible" outflow of dollars in the form of transportation and tourism, remittances to foreign friends and relatives, expenditures to feed and house overseas-based U.S. troops, and U.S. business investment abroad.

In the United States, a homemaker spends 15 cents

of every food dollar for convenience items. In Western Europe until recently, the average homemaker would not consider serving her family a processed food item. However, having sampled the fine flavors of U.S. canned fruits, frozen berries, and the appetizing just-picked taste of prepared vegetables, they are becoming increasingly enthusiastic about our American innovations.

European, Asian, and African nations are cultivating a taste for a variety of different foods on a year-round basis. They cast an envious eye toward the average U.S. homemaker who spends 90 minutes daily to prepare family meals instead of the traditional five hours in Europe.

With more time available, foreign homemakers are turning outside the home for occupation. It follows naturally then the family with greater disposable income will purchase a refrigerator and perhaps a freezer and an automobile.

Food distribution patterns are responding throughout the world to these influences. Self-service stores are quite popular in most foreign nations and in some, account for a sizeable portion of total retail food sales.

These larger retail establishments are constantly increasing the number of items on their shelves, as incentives to shoppers. They are rapidly instituting the techniques of modern food merchandising and in some areas, such as packaging, have made innovations of their own.

But this is only one of the first evidences of cross-fertilization in world food distribution. Over



the next few years, opportunities for selling U.S. processed foods around the world will be increasing as population grows, purchasing power expands, and people desire more nutritious and satisfying diets.

## **OPPORTUNITIES FOR SALES IN WORLD MARKETS**

With the yield of one-fourth of U.S. cropland destined for shipment overseas, the vigor of export markets continues to be an important concern of U.S. economic planners. Looking ahead, the export market appears to be one of expanding opportunity. Demands for U.S. agricultural products are expected to grow steadily in the years ahead, as they have in recent years. However, the quality, quantity, and location of foreign demand changes almost with the seasons of the year. Today's buyer often becomes tomorrow's competitor.

Europe, because of its present enormous purchasing power, has been a prime target of the Department's trade fair and trade center promotional program. Despite the considerable effort expended and the substantial gains made, there still remains a lot of ground to cover. France, for example, annually imports more than \$1 billion worth of foodstuffs, yet the U.S. share is less than six percent of the French market, an area in which the homemaker rates meals so highly she is willing to spend 40 percent of income on food.

West Germany is our fourth largest export market, although a number of imported farm products still are subject to quantitative restriction. In West

Germany, U.S. food companies will find tastes and preferences most closely resembling those of Americans.

The Austrian food market is fast-evolving along traditional U.S. patterns. In 1961 there were 1,400 self-service food stores in the nation. Within two years, the number doubled. Vienna alone has 200 such stores, with 25 percent of them controlled by one cooperative. This same cooperative is said to operate some 1,600 outlets throughout Austria, handling a wide variety of consumer goods in addition to food.

Great Britain, Netherlands, and Belgium represent nearly a \$1 billion annual market for U.S. agricultural products. In each of these nations, self-service stores and supermarkets continue to increase in size and number. Concurrently, the traditional food outlets—small family-owned shops, outdoor markets, mobile street and river vendors—gradually are declining.

Concerning trade with Eastern European nations, President Johnson in his State of the Union message on January 14, 1966, signaled his desire to liberalize relations with that area.

To the south, Africa remains an expanding but difficult-to-rate market for U.S. agricultural products. If surveys of the last few years' trade with Africa point the direction of future exports, then everything is moving upward at greatly accelerating rates. Foods, other than fats and oils, are in second place among U.S. exports to Africa, with a dollar total of about \$400 million in 1964.

Generally speaking, U.S. products enjoy a

favorable reputation among African nations, which import about \$1 billion-a-year in farm products. In Nigeria, for example, good sales prospects are reported for various canned and frozen foods. Algeria, alone, requires an additional \$300 million in food imports to feed its citizens. Ghana each year imports about \$70 million worth of food products; Senegal and Congo, each about \$50 million.

On balance, U.S. food companies interested in African markets should approach them with interest, attention, imagination, and patience. They must be prepared to provide service comparable to that extended customers in the United States. Refusal or inability to accommodate local traders and importers can result only in a U.S. company's elimination from an expanding and profitable market.

Increasing about 100 percent in the past five years, the Asian market for U.S. farm products is about \$2 billion a year. Japan, the biggest single national customer we have for agricultural products, imports almost \$900 million annually from the U.S. Hong Kong, Israel, Taiwan, and the Philippines also are important contributors to the rising sales curve in Asia.

In the past, promotional programs in Japan have met with almost unanimous success. For example, the market for fruits and fruit preparations jumped from \$850,000 in 1959 to \$11 million in 1964. The Japanese market for poultry and other meat products leaped from practically zero in 1959 to nearly \$6 million in 1964. During the same period U.S. exports of nuts and nut preparations and dairy products trebled.

Still another ideal area for market development is Hong Kong, long known as the world's "shopping paradise." Presenting virtually no barriers to commerce, Hong Kong's free port is an international crossroad for 6,000 ships and 8,000 aircraft carrying some \$2 billion worth of goods into, through, or out of the crown colony each year. It is no wonder the colony is burgeoning, under the impact of an energetic population, ideal geographic location, and favorable climate.

Because of limited agricultural resources, Hong Kong must import much of its food needs. Its food imports, excluding rice, are currently estimated at about \$100 million annually, of which the United States furnishes 25 percent.

A recent, detailed study of the Hong Kong market indicates that failure to do business there stems "primarily from the supplier's own shortcomings. For example, ignorance of sales opportunities; unwillingness to adapt to local specifications; reluctance to extend credit, provide for advertising, or accept small orders; indifference to delivery terms and servicing needs; inflexible pricing policies—these are among the self-inhibiting factors which very often determine whether a supplier makes or loses an export sale in Hong Kong."





## A COMPLETE SERVICE

The sum of ten years' knowledge and experience gained in more than 170 exhibitions is available. U.S. companies need only inquire.

In addition to sponsoring and presenting exhibitions, the Department now provides additional international marketing services to food companies on a year-round basis. This is part of an overall effort to maximize the goodwill earned during the run of a foreign exhibition.

In London, Milan, and Tokyo, the Department, in cooperation with the U.S. Department of Commerce, has opened on a permanent basis U.S. trade centers whose facilities are available to U.S. food companies without charge. In each of these modern, attractive facilities, U.S. companies may display their products, receive and entertain prospective buyers, and hold business conferences. At centers in Milan and Tokyo interpreters are available to help overcome language barriers. Photography and press relations facilities are available. Agricultural attaches or trade center staff members also are prepared to assist U.S. businessmen in securing local market data or finding suitable agents and representatives.

Besides the selling opportunities provided in the permanent trade centers, the Department has used many advanced promotional techniques to extend an exhibition's impact. With an eye toward creating consumer demand, the Department has initiated in-store promotions, involving on occasion several thousand retail stores in the area of a trade fair. During these promotions, local stores feature displays and sales of U.S. processed foods. At other times, the

Department has put on recipe contests, cooking schools, and has guided the production and placement of counter cards, billboards, printed materials, retail store demonstrations, and other techniques familiar to U.S. homemakers.

Experience has shown that foreign homemakers respond well to our promotions. Similarly, U.S.-type market surveys have been helping the Department prepare better evaluations of a potential market: to determine the price range, type, quality, variety, and packaging of U.S. products most likely to succeed, and to guide in enhancing the appreciation of U.S. foods. Such aggressive surveying is being conducted in several new markets, with the objective of expanding the sales' horizon for U.S. foods.

Additional literature and forms are available to the U.S. food processing industries and their distributors on how they might participate in the Department's program. Industry members are invited to contact either the International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250 (area code 202, DU 8-3509 or DU 8-5779); or the Grocery Manufacturers of America, Inc., 205 East 42nd Street, New York, New York 10017 (area code 212, MUrray Hill 4-4710).







